



AFFORDABLE CARE ACT MASSACHUSETTS IMPLEMENTATION UPDATE

November 2, 2011

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These Updates, published by the Executive Office of Health and Human Services (EOHHS) in consultation with the other state agencies involved in ACA implementation, will bring you news related to the implementation of provisions of the ACA here in Massachusetts.

Guidance

11/1/11 CMS filed an ACA-related final rule that will **update payment policies and payment rates for services furnished to Medicare beneficiaries in hospital outpatient departments (HOPDs) and ambulatory surgical centers (ASCs)** beginning 1/1/12. In addition to establishing payment rates for calendar year (CY) 2012, the final rule expands the measures to be reported under the Hospital Outpatient Quality Reporting Program, creates a new quality reporting program for ASCs, and strengthens the Hospital Value-based Purchasing (Hospital VBP) program that will affect payments to hospitals for inpatient stays beginning 10/1/12. This rule implements portions of §6001 of the ACA.

Read the press release at: [Press Release](#)

10/31/11 CMS announced issued an ACA-related **Medicare final rule to update the Home Health Prospective Payment System (HHPPS) rates** for Calendar Year (CY) 2012. Payments to home health agencies (HHAs) are estimated to decrease by approximately 2.31 percent or \$430 million in CY 2012, the net effect of a 1.4 percent payment update, the wage index update, and the case-mix coding adjustment. This rule implements portions of §3131 of the ACA.

Read the press release at: [Press Release](#)

10/31/11 CMS announced an ACA-related final rule with comment period that **updates payment policies and rates for physicians and nonphysician practitioners (NPPs) for services paid under the Medicare Physician Fee Schedule (MPFS) in calendar year (CY) 2012**. More than 1 million providers of vital health services to Medicare beneficiaries - including physicians, limited license practitioners such as podiatrists, and NPPs such as nurse

practitioners and physical therapists - are paid under the MPFS. CMS projects that total payments under the MPFS in CY 2012 will be approximately \$80 billion. This rule implements portions of §4103, 3003, 3007 of the ACA.

Comments are due January 31, 2012.

Read the press release at: [Press Release](#)

10/31/11 HHS published **final standards for data collection and reporting required by §4302 of the ACA to more consistently measure race, ethnicity, sex, primary language and disability status** thereby improving the ability to highlight disparities in health status and target interventions to reduce these disparities. The ACA requires new standards for the collection and reporting of health care information based on race, ethnicity, sex, and primary language. Making data standards consistent will help identify the significant health differences that often exist between and within ethnic groups, particularly among Asian, Hispanic/Latino and Pacific Islander populations. The new data collection requirements also will improve researchers' ability to consistently monitor more dimensions of health disparities among people with disabilities. Collection of all data will take place under HHS' longstanding, strict commitment to protecting privacy. The standards apply to health surveys sponsored by HHS where respondents either self-report information or a knowledgeable person responds for all members of a household and will be used in all new surveys and at the time of revision to current surveys.

In June HHS released draft data collection and reporting standards. Read the comment letter submitted by Massachusetts at: [Letter](#)

Read the press release at:

<http://minorityhealth.hhs.gov/templates/content.aspx?ID=9231&lvl=1&lvlID=11>

Read the final standards at:

<http://minorityhealth.hhs.gov/templates/content.aspx?ID=9227&lvl=2&lvlID=208>

Read an explanation of the standards at:

<http://minorityhealth.hhs.gov/templates/content.aspx?ID=9228&lvl=2&lvlID=208>

Read HHS Assistant Secretary Dr. Howard Koh's blog at:

<http://www.healthcare.gov/blog/2011/10/disparities10312011.html>

Learn more at: <http://minorityhealth.hhs.gov/templates/browse.aspx?lvl=2&lvlID=208>

Prior guidance can be viewed at www.healthcare.gov

News

10/31/11 CMS updated a **report indicating whether a federal or state process will be used to review proposed insurance rate increases in the states and territories**. In the final rate review regulation, finalized on May 19, 2011, which implemented portions of §1003 of the ACA, CMS noted that by July 1, 2011 the agency expected to determine which states will be able to conduct their own rate reviews and which states will need to work with the federal government to conduct rate reviews. After reviewing available documentation to determine if a state met the standards set out in the May 19, 2011 regulations, CMS determined that both the individual and small-group markets in Massachusetts meet those standards and that the Commonwealth does have an effective rate review process.

The final rate review rule confirms that coverage sold to individuals or small groups through an association is subject to rate review, on or after November 1, 2011. As of October 24, 2011, 34 states will review association rates in the individual and small-group markets. In 10 states CMS

will do some of the reviews and in 12 states CMS will review all rates for association products. CMS also determined that: 1) 44 States, the District of Columbia and 3 U.S. territories (Guam, Puerto Rico and the U. S. Virgin Islands) have effective rate review in at least one insurance market; 2) 42 States, the District of Columbia and 3 U. S. territories (Guam, Puerto Rico, and the U.S. Virgin Islands) have effective review for all insurance markets and issuers. In two States, the Federal government will conduct a portion of the review; and 3) The Federal government will conduct reviews in six States and two U. S. territories until those areas are able to strengthen their review processes and authorities.

Read more including the full list of state determinations at:

http://cciio.cms.gov/resources/factsheets/rate_review_fact_sheet.html

Read the final rate review issued on May 19, 2011 at:

<http://www.gpo.gov/fdsys/pkg/FR-2011-05-23/pdf/2011-12631.pdf>

Read more about ACA initiatives to fight premium increases including the rate review process at: http://www.healthcare.gov/news/factsheets/ratereview05192011a.html#_ftn1

EOHHS News

10/31/11 The GIC submitted comments to HHS on the Summary of Benefits

Coverage proposed rule under §1001 of the ACA. The proposed regulations, effective March 2012, outline the disclosure of the summary of benefits and coverage and the uniform glossary required by group health plans and health insurance carriers in the group and individual markets. The disclosure requirements are intended to help plans and individuals better understand their health coverage. The comment period has closed but a link to the August 22, 2011 Federal Register notice containing the proposed rule can be read at:

<http://www.gpo.gov/fdsys/pkg/FR-2011-08-22/pdf/2011-21193.pdf>

The GIC comment letter can be read online at the Massachusetts National Health Reform website under the State and Federal Communications section at: [Letter](#)

10/31/11 Massachusetts submitted comments to HHS/Treasury on the Health

Insurance Premium Tax Credit proposed rule under §1411, §1412 of the ACA. The rule provides guidance to individuals and families who enroll in qualified health plans through insurance Exchanges and claim the premium tax credit, and to Exchanges that make qualified health plans available to individuals and employers. Under the ACA, the premium tax credits help defray insurance costs and make it easier for middle-income people to purchase affordable health insurance.

The comment period has closed but a link to the August 17, 2011 Federal Register notice containing the proposed rule can be read at: <http://www.gpo.gov/fdsys/pkg/FR-2011-08-17/pdf/2011-20728.pdf>

To learn more about this proposed rule, visit:

<http://www.treasury.gov/press-center/Documents/36BFactSheet.PDF>

The Massachusetts comment letter can be read online at the Massachusetts National Health Reform website under the State and Federal Communications section at: [Letter](#)

10/31/11 Massachusetts submitted comments to HHS/CMS on the Medicaid

Eligibility proposed rule. The proposed rule would implement sections of the ACA related to Medicaid and CHIP eligibility, enrollment simplification, and coordination, including §2001. The guidance expands and simplifies Medicaid eligibility and promotes a simple, seamless system of affordable coverage by coordinating Medicaid and CHIP with the new Exchanges. In addition,

the proposed rule also sets out the increased Federal Medical Assistance Percentage (FMAP) rates and the related conditions and requirements that will be available for state medical assistance expenditures relating to "newly eligible" individuals and certain medical assistance expenditures in "expansion states" beginning January 1, 2014.

To learn more about this proposed rule, visit:

<http://www.healthcare.gov/news/factsheets/2011/08/exchanges08122011c.html>

The comment period has closed but a link to the August 17, 2011 Federal Register notice containing the proposed rule can be read at:

<http://www.gpo.gov/fdsys/pkg/FR-2011-08-17/pdf/2011-20756.pdf>

The Massachusetts comment letter can be read online at the Massachusetts national health reform website under the State and Federal Communications section at: [Letter](#)

10/31/11 Massachusetts submitted comments to HHS on the proposed rule related to the Establishment of Exchanges and Qualified Health Plans under §1311, §1312, §1321 of the ACA. The rule (1) establishes the federal requirements that states must meet if they elect to establish and operate an Exchange; (2) outlines minimum requirements that health insurance issuers must meet to participate in an Exchange and offer qualified health plans (QHPs); and (3) provides basic standards that employers must meet to participate in the Small Business Health Options Program (SHOP). The rule is intended to provide states with substantial discretion in the design and operation of an Exchange.

The comment period has closed but a link to the August 15, 2011 Federal Register notice containing the proposed rule can be read at:

<http://www.gpo.gov/fdsys/pkg/FR-2011-07-15/pdf/2011-17610.pdf>

The Massachusetts comment letter can be read online at the Massachusetts National Health Reform website under the State and Federal Communications section at: [Letter](#)

10/31/11 Massachusetts submitted comments to HHS on the proposed rule, Standards Related to Reinsurance, Risk Corridors and Risk Adjustment, §1341, §1342, §1343 of the ACA. The rule will implement standards for states and health insurance issuers related to reinsurance and risk adjustment. The ACA set up three risk-mitigation programs to offset market uncertainty and risk selection to maintain the viability of Exchanges. These programs will mitigate the impact of potential adverse selection and stabilize premiums in the individual and small group markets as insurance reforms and the Exchanges launch in 2014. The proposed rule gives states options in designing and administering these programs. The comment period has closed but a link to the August 15, 2011 Federal Register notice containing the proposed rule can be read at:

<http://www.gpo.gov/fdsys/pkg/FR-2011-07-15/pdf/2011-17609.pdf>

The Massachusetts comment letter can be read online at the Massachusetts National Health Reform website under the State and Federal Communications section at: [Letter](#)

Upcoming Events

Money Follows the Person (MFP) Working Group

Wednesday, November 9, 2011 from 10:30 AM - 12 PM

Saxe Conference Room

Worcester Public Library

3 Salem Square

Worcester, MA

Please contact Kate.Russell@state.ma.us if you would like to attend the meetings. Requests for reasonable accommodations should be sent to MFP@state.ma.us. Although an RSVP is not required, it is appreciated. More information on MFP can be found at: [MFP Information](#)

The meeting date and time of the next **Quarterly Patient Protection and Affordable Care Act Stakeholder Implementation Meeting** will be posted on the website at: http://mass.gov/national_health_reform under Quarterly Stakeholder Meetings as soon as it is scheduled.

Bookmark the **Massachusetts National Health Care Reform website** at: www.mass.gov/nationalhealthreform to read updates on ACA implementation in Massachusetts.

Remember to check <http://mass.gov/masshealth/duals> for information on the **"Integrating Medicare and Medicaid for Dual Eligible Individuals"** initiative.